BOUND PRINTED MATTER MAIL PROCESSING COST MODEL AND MEDIA MAIL – LIBRARY MAIL MAIL PROCESSING COST MODEL

I. PREFACE

A. Purpose and Content

USPS-FY15-15 documents the mail processing and delivery costs for Bound Printed Matter and the mail processing unit cost estimates for the Media Mail – Library Mail price categories.

B. Predecessor Document

The predecessor model for Bound Printed Matter was presented in Docket No. ACR2014, USPS-FY14-15.

Last year, the predecessor model for Media Mail – Library Mail was presented in Docket No. ACR2014, USPS-FY14-15.

C. Corresponding Non-Public or Public Document

There is no non-public document that corresponds to USPS-FY15-15.

D. Methodology

The Bound Printed Matter mail processing cost model relies on the same methodology presented in Docket No. ACR2014, USPS-FY14-15. The Media Mail – Library Mail mail processing cost model relies on the same methodology presented in Docket No. ACR2014, USPS-FY14-15.

E. Inputs / Outputs

The Bound Printed Matter cost estimates are calculated using the following inputs:

Input Source	Input Description
USPS-FY15-1	Bound Printed Matter flat and parcel volumes Bound Printed Matter flat and parcel pounds
USPS-FY15-2	Delivery Activities costs, CS 7.2
USPS-FY15-4	Billing determinants data
USPS-FY15-7	Volume variability factors Premium pay factors Wage rates

USPS-FY15-22	Bound Printed Matter mail processing costs
USPS-FY15-23	MODS productivity data
USPS-FY15-24	Piggyback factors
USPS-FY15-25	Operations specific piggyback factors
USPS-FY15-36	Bound Printed Matter mail piece density
USPS-FY08-15	Parcel Post assumptions 2008 Delivery Unit (DU) Study data MTM-4M Time Estimates
Docket No. R2000-1, USPS-T-26, Attachment Y	ASF volume percentage
Docket No. R2000-1, USPS-T-27, Attachment H	Outgoing cost percentages
Docket No. R2000-1, USPS-LR-I-88	Productivity data
Docket No. R2000-1, USPS-LR-I-90	Productivity data
Docket No. R2000-1, USPS-LR-I-109	Dispatch profile Mail characteristics data
Docket No. R97-1, USPS-LR-H-131	Arrival profile
Docket No. R97-1, USPS-LR-H-132	Productivity data
Docket No. R97-1, USPS-LR-H-133	Container dimension data
Docket No. R84-1, Exhibit USPS-T-14I	Pieces per container data 1982 cubic feet per piece

The Bound Printed Matter cost estimates are relied upon to develop the discounts and passthrough values contained in USPS-FY15-3.

The Media Mail – Library Mail mail processing unit cost estimates by price category are calculated using the following inputs:

Input Source	**Input Description**
USPS-FY15-1	Media Mail – Library Mail volumes
USPS-FY15-4	Media Mail – Library Mail billing determinants data
USPS-FY15-7	Volume variability factors Premium pay factors Other mail processing wage rate Overhead factors
USPS-FY15-23	MODS productivity data
USPS-FY15-25	Operations specific piggyback factors
USPS-FY15-26	Media Mail – Library Mail mail processing unit cost estimate by cost pool
USPS-FY15-36	Media Mail – Library Mail mail piece density
2015 WebEOR data	Equipment reject rates
2015 Standard Parcel data	Percent of mail that is Zones 1-3 (Intra-NDC)
2015 RPW	Media Mail – Library Mail volumes by shape
2015 Special Weights Reports	Weight data
2014 parcel field study	Productivity data Postal arrival and dispatch profiles
2010 PostalOne! data	Non-dropship entry point percentages
2009 ODIS data	ASF coverage factor ASF dock transfer percentage
2009 WebEOR data	PPSM transfer volume percentage PPSM finalization percentage
2009 Standard Mail parcel field study	Average container heights Average container fullness percentages Mail arrival profile

Container space utilization percentages
IPP operation outgoing volume percentage

The Media Mail - Library Mail cost estimates are relied upon to develop the discounts and passthrough values contained in USPS-FY15-3. The Media Mail – Library Mail weighted average model cost, proportional adjustment factor, and fixed adjustment factor are also relied upon in the Bulk Parcel Return Service (BPRS) cost study contained in USPS-FY15-16.

II. ORGANIZATION

The Bound Printed Matter cost estimates are presented in the Microsoft Excel workbook 'USPS-FY15-15.BPM.xlsx' in the spreadsheet tab entitled 'Summary' (page 1). Data sources are referenced in each spreadsheet throughout the workbook. The results are also reported in Table 1 below.

Table 1:
Bound Printed Matter Mail Processing Cost Estimates

Category Description	Cost Estimate
DNDC Cost Savings Estimate	$ 0.104
DSCF Cost Savings Estimate	$ 0.445
DDU Cost Savings Estimate	$0.149
Carrier Route Presort Cost Savings Estimate	$0.148

The Media Mail – Library Mail cost estimates are presented in the Microsoft Excel workbook 'USPS-FY15-15.MM-LM.xlsx' in the spreadsheet tab entitled 'Summary' (page 1). Data sources are referenced throughout the workbook. The results are also reported in Table 2 below:

Table 2:
Media Mail – Library Mail Mail Processing Cost Estimates

Category Description	Cost Estimate
Total Mail Processing Unit Cost Estimates	
Single-Piece	$ 2.627
Basic Presort	$ 2.412
5-Digit Presort	$ 1.160
Mail Processing Unit Cost Savings Estimates	
Basic Presort	$ 0.215
5-Digit Presort	$ 1.467